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The following are my thoughts regarding all of the Constantine docs in NY et. al. (response, declaration, etc.). They are not necessarily in any particular order. Please apply the thoughts as necessary. I am always available for your follow-up questions.

DISH ZERO - Please note that over \$100,000 NET ends up in the Dish Zero bank account from Eufora. Constantine controls these funds although it is a company managed by Mark D'Ambrosio.

Motion to Dismiss

Kaiser is not an AZ resident.

CONDITIONAL APPROVAL- Neither Kaiser nor the defendants knew that sending their funds for Constantine's use in the interim had any conditional terms. If they did, why does Constantine immediately use the funds in part for the Eufora expenses (not buying the loan or paying it down). How does Constantine explain the \$40,000 that Eufora sent to AZ Avalon Partners at the end of December immediately following the transfer of the last \$50,000 from RR's Trust account to Eufora's Operating account? Keep in mind that the \$40,000 that was sent to AZ Avalon Partners was then used for the \$39,000 rent for Jeff Bailey (the Avalon loan). Eufora has never had a \$39,000 monthly lease payment. That was an obligation Constantine committed to after he looted almost \$2mm of the nearly \$3.3mm of funds that were sent to the GSF for the sole purpose of resolving group litigation to set up the Bailey loan. The \$40,000 transfer saved Constantine and his reputation with wealthy AZ resident and lender Jeff Bailey. I am sure the remaining \$1,000 was used for other Constantine related expenditures.

Constantine had extensive discussions with Privitello. In fact, Privitello felt compelled enough in an email exchange with Constantine to apologize to him for having to send his wire to RR's Account in 2 parts (there is an email to support this). This is not the action of a person who doesn't interact with Constantine. It also isn't the communication that Privitello would have with Constantine if Constantine truly believed that it was Kaiser's money and Privitello was merely paying back a loan to Kaiser through the transfer of these funds. Lastly, I think there is an email that someone at Eufora, perhaps CR, emails Privitello to confirm the transfer of his funds and the secure interest in the Eufora, LLC AZ; not a conditional interest.

By the way, is there a correspondence from Constantine that offers back the full investments to the 4 NY Plaintiffs?

By the way, is there a correspondence from Constantine to anyone that explains the new investment opportunity in Eufora III DE to the 4 NY Plaintiffs or Kaiser? PLEASE keep in mind that the \$400,000 was already spent prior to any of the Constantine restitution actions. Even if the solicitation for the Eufora AZ shares were legitimate, at what point did Constantine find out that the shares were not transferable as he suggests due to the Neptune agreement? How could he have any ability under his Fiduciary Role to the

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investors in any of the entities to spend the funds before the board approved the new shares?

Constantine knew everything about the loan arrangement with Neptune. In fact, I believe that the last meeting that was held prior to the official signing of the loan docs was between Brent and Constantine. It was at that meeting that the \$5,000 transaction fee changed to \$500,000.

Intersstingly enough, Constantine suggests that after he received the solicited funds formt he 4 NY Plaintiffs in December 2009, he realized that he could not transfer the shares that were part of the solicitation due to the Neptune deal.

- 1) He has the September 2009 Gonchar shares that were for the same purpose that I am sure there has been a share transfer, and
- 2) Constantine states that he then created Eufora III DE to offer the option to the NY Plaintiffs to participate in Eufora III DE.

If you read his Declaration, paragraph 16 & 17 suggest the following:

- 1) There is an email between Constantine and CR confirming on December 17, 2009 that CR has opened Eufora DE.
- 2) There is an email between CR and Neptune confirming the formation of Eufora Capital in September 2009.

If Constantine knew that there was an alternative plan for the purchase of the loan, like the Gonchar September 2009 investment where \$500,000 went to Neptune through RR's Account and \$250,000 went directly to Eufora, why was there a share transfer of Eufora AZ confirmed to Gonchar in the August 29, 2009 email (see below & previously forwarded) and the news about the inability to transfer shares was news to Constantine in December? NONSENSE...

Sergei:

Per our conversation, the Deal Points that we are proposing to you as a prospective Investor is as follows:

- \$500K-\$750K investment
- **10% Preferred Return Paid, with Interest Only Payments being paid Monthly, beginning immediately and continuing through the first twelve (12) months, with Monthly Principle and Interest Payments commencing on month thirteen (13), with a total payoff of the \$500-\$750K on or about Month twenty-four (24).**
- **You will be provided with a 2%-3% Interest in the Company (2% for \$500K or 3% for \$750K), based on a current valuation of \$25M. This will be in addition to your current ownership interest in the company through AZ Eufora I LLC.**
- Alternatively, you may elect *not* to be paid off in year two and continue to collect a 10% Interest Only Preferred Return (Indefinitely). In this case you will be collecting interest only payments indefinitely (as opposed to being paid principle and interest in year two where the 10% preferred return would eventually stop). In either case, with a \$500K investment, you will receive a 2% interest in the company (in addition to your current ownership interest) and with a \$750K investment, you will receive a 3% interest in the company (in addition to your current ownership interest).

Thank you for your trust and support in this critical time. I will not let you down!

Please do not hesitate to call me if you have any questions.

Sincerely,

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Tommy Constantine
Founder and Chairman
Eufora, LLC

Please note that Gonchar immediately began to receive \$6,250 per month from Eufora's Operating account for his \$750,000 investment. This is an excerpt from CR's Eufora Operating account ledger. I am not sure how Sergei invested in anything but Eufora AZ if he is receiving the following funds from Eufora on a monthly basis.

Thursday, October 01, 2009	Wire - Outbound	Sergei Gonchar	\$6,250.00	Interest - If so, need loan note
Monday, November 02, 2009	Wire - Outbound	Sergei Gonchar	\$6,250.00	Interest - If so, need loan note
Tuesday, December 15, 2009	Wire - Outbound	Sergei Gonchar	\$6,250.00	
Friday, January 08, 2010	Wire - Inbound	Sergei Gonchar	\$6,250.00	
Friday, January 08, 2010	Wire - Outbound	Sergei Gonchar	\$6,250.00	

After continued reading of the Constantine Motion to dismiss, what specific documents does Constantine produce to show the "offer" to repay other than his baseless offer in his AZ answer?

Constantine makes the claim that exclusive solicitations went through Kaiser. There are emails specifically between Constantine and Privitello to refute this statement.

Considering the fact that Constantine owes Kaiser 20% of Eufora (in part for the ~\$912,000 of funds that were transferred to Constantine Management Group on Kaiser's behalf) from the Constantine ~45% holding, I AM SURE YOU CAN ARGUE THAT Constantine WAS USING Kaiser AS HIS AGENT TO REPRESENT Eufora IN THE SOLICITATION OF THE FUNDS.

With respect to the manager status being ALL AZ, CR is a Canadian person and Kaiser is a NY Person (as are all of the Plaintiffs).

On page 6 of the declaration Constantine claims Eufora derives no revenues from NY, thus the jurisdictional filing in NY is improper. Constantine has raced for many of the last 4 years (certainly in 2006, 2007 & most likely 2008) at Watkins Glen in NY for his Playboy Racing Team. Please note that Constantine used Eufora funds during his Playboy Racing years to "value load" his card while he travelled representing Eufora as a sponsor to the Racing team all across the USA, specifically including NY.

During the summer of 2009, Constantine also was in NYS (Buffalo, NY) to solicit funds from Jay McKee and his wife over dinner (Kenner was present for the meeting) for the GSF which ultimately transferred ~\$900,000 (amount can be verified if necessary) to Eufora solely under Constantine's control.

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I do not know how Constantine participates as the Manager of Eufora for most of the last 8 years in the Credit Card and Pre-paid business, runs through \$5mm+ in budget funds solely at his own discretion, proposes to have a lender, Santo Volpe, who in his own letter (Exhibit H) suggests that they want to take the Eufora model to Europe where there are no patents. The USA patents alone have value (perhaps not current revenues based on mismanagement) in NY. The value cannot just arbitrarily be in AZ for Constantine's defense sake.

Constantine states that no injury in NY was foreseen or foreseeable, but his actions contradict the pure essence of his statement. He knew crystal clear that the funds came from NY. In spite of the clear fact that Kaiser can confirm that he knew the funds were coming from multiple NY future Plaintiffs, Constantine alleges that he thought all of the funds were coming from Kaiser alone. He knows clearly that Kaiser is a NY resident. When Constantine took control of the funds in RR's Trust Account, he became responsible for the next transaction (whether it was to escrow the funds until board approval, transfer shares of Eufora AZ, Eufora DE, etc). This control put all of the responsibility on Constantine, no one else. The mere fact that the funds that went into Constantine's control and were only 25% used for the solicited reason (pay the URGENT Neptune loan) shows clearly that Constantine had every intention to misuse the funds and had anyone been inside the Con Man's mind, the transaction would have been both foreseen & foreseeable (in NY)!

Tuesday, December 08, 2009	Wire - Outbound	AZ Avalon Partners	\$155,000	From Privitello funds
Tuesday, December 08, 2009	Wire - Outbound	Bancorp	\$150,000	
Tuesday, December 08, 2009	Wire - Inbound	AZ Avalon Partners	\$5,000	
Tuesday, December 08, 2009	Wire - Inbound	Ron Richards	\$50,000	From Privitello funds
Tuesday, December 08, 2009	Wire - Inbound	Ron Richards	\$150,000	From Hughes, Rizzi, Kaiser funds
Tuesday, December 15, 2009	Wire - Outbound	Cary, Rodrigues, Greenburg	\$15,000.00	
Tuesday, December 15, 2009	Wire - Outbound	Sergei Gonchar	\$6,250.00	
Friday, December 18, 2009	Wire - Outbound	Bancorp	\$30,274.30	
Friday, December 18, 2009	Wire - Outbound	Neptune	\$100,000.00	Eufora Capital II - Loan Reduction
Tuesday, December 29, 2009	Wire - Inbound	Ron Richards	\$50,000	From Hughes, Rizzi, Kaiser funds
Wednesday, December 30, 2009	Wire - Outbound	AZ Avalon Partners	\$40,000.00	
Wednesday, December 30, 2009	Wire - Outbound	Eufora Expense	\$3,200.00	Eva Peterson

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Constantine claims that he derives basically all of his income from and in AZ. I do not think that he has filed a tax return in 5 years. I would challenge Constantine to prove the source(s) of his income (other than theft) over the last 5 years to substantiate his AZ ONLY REVENUE stance.

Constantine states on page 11 that if the Plaintiffs had come to AZ to sign docs, they would have become members of an AZ LLC. The entire "restructuring" plan was about how the Plaintiffs were going to be members of the new DE LLC.

On page 22 they refer to the 3rd party (Kaiser) having the ability to recover damages if the material facts were misrepresented to him. Do you need to add Kaiser as another Plaintiff to attack the 3rd party claim that he would suffer total damages if Constantine were found to not have had enough contact with the other Plaintiffs? Wouldn't you also substantiate the NY jurisdiction with Kaiser?

On page 22&23, Constantine now takes the position that Eufora is the responsible party for the fraud related to the Plaintiffs funds!!

In Exhibit N: I think the text message from Kaiser to Constantine clearly states that Kaiser acknowledges Constantine's request for secrecy (typical) but needs his (Kaiser's) shares (the 20% from Constantine's shares) for his own family's security.

Constantine's Response

Please note that Constantine states that it would not have been possible to offer the Original Eufora shares to the 4 NY Plaintiffs (or anyone) due to the onerous terms that CR Gentry negotiated with Neptune. CR will handle the rebuttal on the negotiations and Constantine's total involvement. There are two contradictions not addressed by Constantine in the response. First, Sergei Gonchar invested ~\$750k in Eufora through Ron Richard's Trust Account in September 2009. He received shares in the Original Eufora from Constantine as noted in the attached Constantine email to Gonchar (SUBJECT-Eufora Investment). Second, and prior to the Gonchar late round investment, Kenner accompanied Constantine on multiple visits around the USA while Constantine attempted to secure Global Settlement Funds from the adverse parties to Ken Jowdy. During that Constantine solicitation tour, Constantine offered shares of the Original Eufora to all of the GSF investors as part of their participation with his legal strategy efforts to un-seed Jowdy. Although these shares were never transferred (another bait-&-switch fraud), CR Gentry was aware at Constantine's direction of the share transfers that were being offered as part of the solicitation. An email that Constantine sent to Rem Murray is attached confirming the offer (specifically related to the Eufora shares). Specifically Constantine states during the time Neptune had the onerous provisions in the loan agreement. Was this another attempt to defraud the investors?...:

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Assuming you make a contribution of \$125K, you will be receiving a Membership Agreement for your interest in Eufora, LLC from our CEO (C.R. Gentry) later this week or next week at the latest. We just have to wait for the other side to sign the Transfer docs as part of the settlement, which is supposed to be in the next few days. In the meantime, this email shall serve as written confirmation that you will be receiving .5% of the interest that we acquire from Nolan, Juneau and Moreau with respect to Eufora. Specifically, you will be receiving .182% which is .5% of the 3.64% interest that they currently own or owned. The attached excel spread sheet shows what we are acquiring from the three of them as part of the settlement. The dollar amounts on the right are the current value of those interest at the \$20M valuation (for the whole company). Again, your interest is .5% of that.

Of the \$400,000 solicited from the NY Plaintiffs solely through Kaiser, not Kenner (which everyone involved short of Constantine can attest to), ONLY \$100,000 was sent to Neptune related to the reduction of the immediate and urgent loan repayment solicitation.

This occurred on December 18, 2009.

Amazingly, on December 29, 2009 as a result of the last \$50,000 that Kaiser transferred to the RR Trust fund and Constantine forwarded to Eufora, the following transactions took place while the four NY Plaintiffs were waiting for their paperwork after "saving the day":

Tuesday, December 29, 2009	Wire - Inbound	Ron Richards	\$50,000.00
Wednesday, December 30, 2009	Wire - Outbound	AZ Avalon Partners	\$40,000.00
Wednesday, December 30, 2009	Wire - Outbound	Eufora Expense	\$3,200.00 to Eva Peterson

In any context, how are the \$40,000 to AZ Avalon Partners from Eufora and the \$3,200 to Eva Peterson considered so critical that Kaiser was placed in a state of frenzy in December 2009 to assist Constantine's solicitation of the funds to save the company?

Perhaps the confusion on the funding that went from the four NY Plaintiffs through RR's Trust Account to Constantine's control can be explained as follows:

December 7 - Privitello wires \$150,000 and \$50,000 separately to RR's Account.
December 7 - Constantine instructs RR to wire \$155,000 to AZ Avalon Partners and \$50,000 to Eufora.
December 8 - Apparently Constantine instructs Bank of AZ to wire \$150,000 to Bancorp and \$5,000 back to Eufora's Operating Account (neither was for the solicited reason).
December 8 - Kaiser wires \$150,000 to RR's Account.
December 8 - Constantine instructs RR to wire \$150,000 to Eufora's Operating Account.
December 15 - Constantine wires \$15,000 to his personal FL attorney.
December 28 - Kaiser wires the remainder of the solicited funds to RR's Account - \$50,000.
December 29 - Constantine instructs RR to wire the funds to Eufora's Operating Account.
December 30 - Constantine wires \$40,000 to AZ Avalon Partners (not for anything related)

On page 2 of the RESPONSE, Constantine claims that the funds were held in Escrow for the four NY Plaintiffs. NOT TRUE. The Plaintiffs funds were disbursed the instant they arrived in the RR Trust account OR Eufora's Operating Account.

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On page 3, Kaiser has not invested Millions of dollars with Kenner, nor has a barrage of litigation ensued as a result - TOTAL UNTRUTH.

At no point in time, neither during the solicitation nor after the receipt of funds solely through Constantine's direction, did any of the four NY Plaintiffs receive an offer or documents related to Eufora III.

I do not believe that any documents exist other than Constantine's current declaration and his self-serving restructuring plan last year after the allegations were laid out in black and white to his former attorney in CA that he paid for with Eufora funds.

ON page 3 and 4, Kenner NEVER had any interaction with the Plaintiffs regarding their December 2009 investment in Eufora. Constantine specifically left Kenner out of the communication in his attempts to persuade Kaiser, without Kenner's expected interference at the time, to look to his friends (current Plaintiffs) for financial assistance. At that time Kenner and Constantine were at odds over the abusive use of the GSFs that Constantine blew through at a record primarily for his own personal benefits.

Kenner was never aware of the formation of Eufora III.

On page 4, there is no reference to Eufora III in the Volpe letter. Santo Volpe does state his primary objective:

As you are well aware, our interest in the company is primarily to expand its operations and the use of its intellectual property into the European market, while our efforts to continue to work with your group are based on our desire to maintain a U.S. presence for the brand.

This reference to the European Markets makes no sense considering the ONLY thing that Eufora offers is untested USA patents in the USA market. Why would Volpe need to invest in the USA Company to create a similar product at all in Europe? This is more Constantine rhetoric without substance.

ON page 5, who are the unnamed "other" investors in Eufora III?

On page 5, Constantine claims that the Plaintiffs have no interest in AZ Avalon. Contradicting this statement is Constantine's use of the Kaiser funds from the December 29 transfer of \$50,000...

Tuesday, December 29,				
2009	Wire - Inbound	Ron Richards	\$50,000 (from Kaiser)	
Wednesday, December 30,				
2009	Wire - Outbound	AZ Avalon Partners		\$40,000.00

It is almost embarrassingly obvious how Constantine and his counsel have no concerns for perpetuating lies in the face of the court.

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On page 9, I am baffled at their strategy that suggests if Constantine were required in the AZ to transfer his shares to the AZ Plaintiffs as restitution, the NY injunction would violate the Anti-Injunction Act. Thus, a multi-state criminal should remain "free" to dispose his assets until the AZ State court finishes its rulings. The contrary could be claimed in the AZ case to preventing AZ from issuing a verdict...or something like that. WOW!

On page 10, they challenge us to show where Constantine may try to hide assets. We have the operating agreement from the Emergency hearing that states Constantine will no longer be an active member of Eufora.

On page 11, Constantine refers to the reorganization plan prior to the alleged wrongdoings. Kasier was told by Constantine about his plan to DELETE members of Eufora while he was soliciting funds from Kaiser.

Gonchar's Eufora Investment

Below is Gonchar's subsequent investment information in Eufora (relatively the same time as the four (4) NY Plaintiffs and relatively for the same solicited reason). This is the confirmation email from Constantine to Gonchar that I was copied on (email attached). Per the GSF spreadsheet that Ron Richard's office provided, Gonchar invested \$749,985.00 from his Swiss Bank account on 9-9-09 to RR's Trust account. Constantine told Gonchar he could "wash" his funds through RR's account and they would then be CLEAN in the USA. I have attached to two strings of text messages between Constantine and I that show his typical state of panic (or Con Man skills) to push funds into his "control".

These are "Constantine panic for Gonchar funds. PNG" & "Constantine panic for Gonchar funds[2]. PNG". There is no question that the funds went for Eufora's benefit as follows the next day.

From Ron Richard's Trust account accounting:

9/9/09	the g55 foundation	\$749,985.00	Wired to RR from Gonchar's Swiss Account
9/9/09	neptune company	(\$500,000.00)	Eufora LOAN PAYOFF
9/9/09	eufora llc	(\$250,000.00)	Eufora Operating account

Constantine's email to Gonchar:

Sergei:

Per our conversation, the Deal Points that we are proposing to you as a prospective Investor is as follows:

- \$500K-\$750K investment
- 10% Preferred Return Paid, with Interest Only Payments being paid Monthly, beginning immediately and continuing through the first twelve (12) months, with Monthly Principle and Interest Payments commencing on month thirteen (13), with a total payoff of the \$500-\$750K on or about Month twenty-four (24).
- You will be provided with a 2%-3% Interest in the Company (2% for \$500K or 3% for \$750K), based on a current valuation of \$25M. This will be in addition to your current ownership interest in the company through AZ Eufora I LLC.
- Alternatively, you may elect *not* to be paid off in year two and continue to collect a 10% Interest Only Preferred Return (Indefinitely). In this case you will be collecting interest only payments indefinitely

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(as opposed to being paid principle and interest in year two where the 10% preferred return would eventually stop). In either case, with a \$500K investment, you will receive a 2% interest in the company (in addition to your current ownership interest) and with a \$750K investment, you will receive a 3% interest in the company (in addition to your current ownership interest).

Thank you for your trust and support in this critical time. I will not let you down!

Please do not hesitate to call me if you have any questions.

Sincerely,

Tommy Constantine
Founder and Chairman
Eufora, LLC

CR Gentry was put on "leave" as President / CEO of Eufora LLC on August 21, 2009 at the first Board of Managers meeting held by Eufora LLC since he had started working with Eufora. It was that date that Constantine became Acting President/CEO of Eufora LLC.

A total of \$41,877.57 has been spent from Eufora's funds on Constantine's Florida attorney, Cary, Rodrigues, Greenburg. As a review of CR's Eufora spreadsheet, it appears that \$15,000 from Privitello's wire went to Cary, Rodrigues, Greenburg on 12-15-2009.

Another \$6,250 from the Privitello funds was sent to Sergei Gonchar for his monthly loan payment Constantine agreed to with Sergei.

I WILL FOLLOW-UP WITH A RESPONSE TOMORROW TO THE DECLARATION WHERE I SEE ISSUES TO ADDRESS.

Have a good night, pk